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EDIC/M-7
Control No.
31 March 1955

ECONOMIC DEFENSE INTELLIGENCE COMMITTEE

Minutes of 7th Meeting

10:00 - 12:00, 17 March 1955

PRESENT

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[REDACTED]
Lt. Col. Brown, OSD
Mr. Wood, G-2
Mr. Hamilton, AFOIN
Mrs. Young, State/ECD
Mrs. Rado, State/OIR
Miss Baldwin, FOA
Mr. Wilson, FOA/MDAC

1. EDIC/AM-6, "Dissolution of IWG and EDIC Subgroups"

Discussion - The Executive Secretary observed that there had been no objection by members to action proposed in this paper. He referred specifically, however, to unfinished assignments of two former IWG subgroups: East-West Trade Collection Requirements, and Far Eastern Economic Defense. The Executive Secretary explained that although terms of reference for the East-West Trade Collection Requirements subgroup had been approved by IWG (IWG/AM-11a of 31 July 1953), the subgroup had produced no substantive recommendations. [REDACTED]

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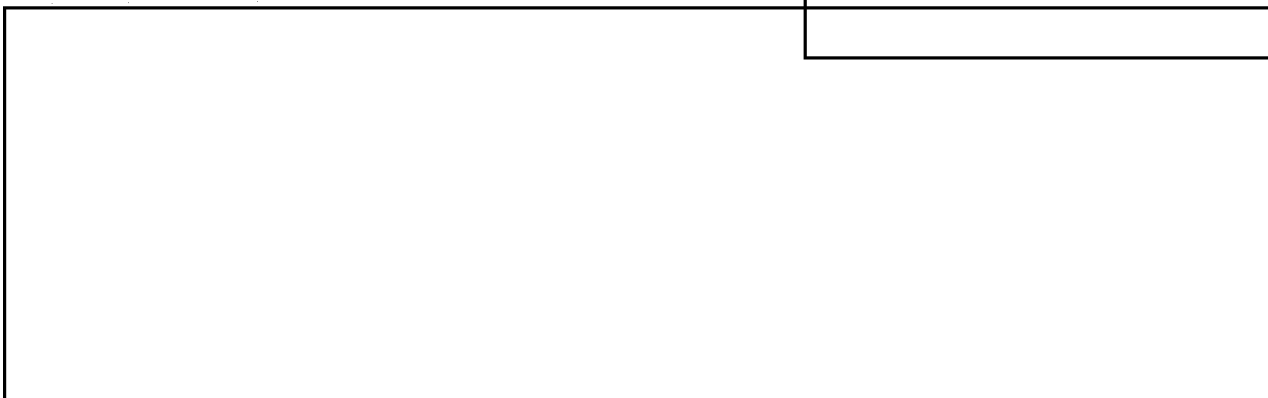
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It would appear, therefore, that the subgroup should be dissolved pending requests from the Executive Committee for additional work in the field of collection.

The Acting Chairman suggested that if the need for collection appears to be for enforcement intelligence, then EDIC attention should be focused on that particular phase of the problem.

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The Executive Secretary also reviewed the status of the Far Eastern Economic Defense subgroup, pointing out that practically none of the intelligence support to FEEDWG (EDAC) and the USDEL to CHINCOM had been channelled through EDIC. He reminded the committee that IWG Case 36 - Intelligence Data for US Delegate to CHINCOM - had been established in December 1952 for this specific purpose. Only one paper, IWG/FE-1, "Material for Use in China Committee" had been produced in February 1953 in response to the request by the Chairman of FEEDWG for information

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concerning the probable impact on the Chinese Communist economy which would result from denial of certain commodities. The Executive Secretary observed that if EDIC is not to be utilized by either intelligence or action agencies the subgroup should be dissolved. An extended discussion ensued on EDIC's role within the EDAC structure and the Acting Chairman noted the possible need for a revision of EDIC terms of reference to reflect a changed situation.

Action - Members approved the action proposed in EDIC/AM-6 which included dissolution of the two subgroups cited under Discussion, above.

25X1A9A The Executive Secretary was instructed further, to request

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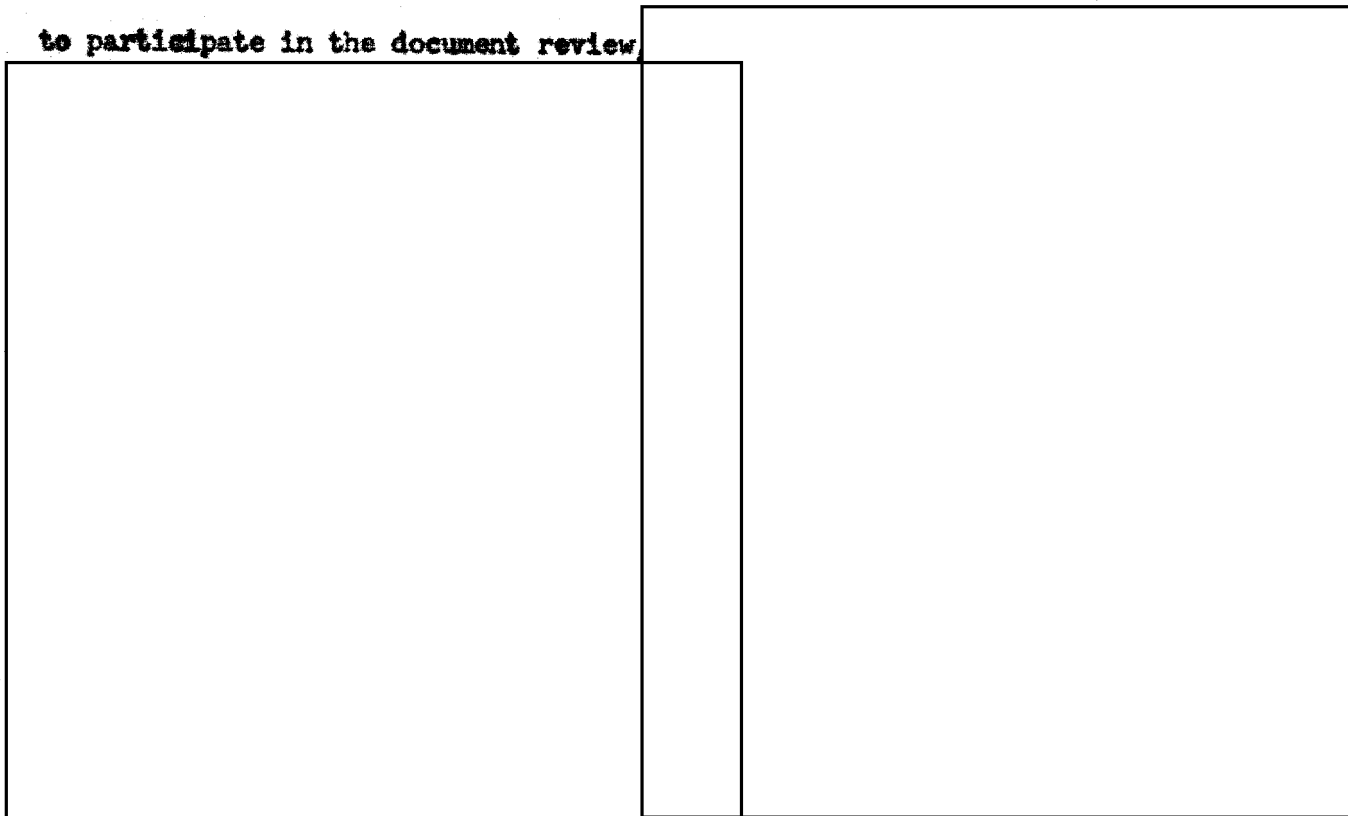
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The Acting Chairman reviewed earlier EDIC action on this matter (refs: EDIC/M-4, M-3 and M-2). At the 1 December meeting, he had pointed out "that EDIC as a group has no authority to approve security matters of this kind" and on 9 December had declared "that on this subject EDIC is simply a forum for discussion, with each agency retaining responsibility for security protection of its own intelligence." The Acting Chairman expressed serious concern over failure of other agencies to participate in the document review

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The AFOIN member explained that no specific action had been taken by his office because all documents were not available within AFOIN, while the State/ECD member observed that the State Security Officer was cognizant of this problem.

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Action - The Acting Chairman suggested that the military members contact the OSD member for the purpose of reviewing selected C/C/C documents.

b) Intelligence on Trade in Decontrolled Commodities

Discussion - The Acting Chairman reviewed the situation, noting that JOC had not yet furnished EDIC a short list of decontrolled commodities for further processing by the EDIC subgroup on this subject. The Executive Secretary called attention to the FOA/NDAC list found in JOC Document No. 54 Supplement 1 of 9 December 1954. The Commerce member expressed the opinion that this list, which presumably incorporated items suggested by the Department of Defense, was both short and satisfactory.

In the context of this discussion, reference was made to EDAC D-67/25 of 14 March 1955 which provided an exchange of correspondence between Senator McClellan and Admiral DeLany regarding the relaxation of international export controls.

Action - The Executive Secretary was instructed to prepare a memorandum to the Chairman of the Executive Committee which would point out the delay in receipt of a JOC list of decontrolled items which could be used by the EDIC subgroup in pursuing its assignment. (Note: JOC considered this matter at its 28 March meeting and is forwarding such a list to the Acting Chairman of EDIC. Consequently, no memorandum on the subject will be addressed to the Chairman of the Executive Committee.)

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d) Joint OIR/ORR Paper on Criteria for Review of China List

Discussion - The Acting Chairman referred to EDIC/AM-7 of 10 March 1955 on "State/OIR Intelligence Views on the Feasibility of a Review of the China List" and to an earlier CIA/ORR paper on the subject. At the 11 February meeting of EDIC it was reported that State and CIA had agreed to produce a paper for the Executive Committee which would be submitted to EDIC for review (ref: EDIC/M-6). The Acting Chairman stated that nothing is to be done with either paper per se although they have been the subject of discussion. He announced, instead, that the subject of China List criteria is to be incorporated in an evaluation of the economic defense program being prepared for the Steering Group of the Dodge Council. CIA representatives are to attend meetings of a working group which is assisting the Steering Group on this project.

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3. SUGGESTED CANCELLATION OF PENDING IWG (EDIC) CASES

Discussion - The Executive Secretary suggested the cancellation
of:

Collection Requirements on East-West Trade
Intelligence Data for U.S. Delegate to CHINCOM

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Action - Members concurred in this proposed action.

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Executive Secretary

Distribution

Cat. B - (1,3-12)
C - (1,2,4,6)
D - (All)
E - (1-3)

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